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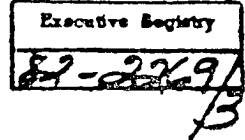
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MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Executive Director
Comptroller

FROM: Harry E. Fitzwater
Deputy Director for Administration

SUBJECT: Study Concerning Consolidation of Micrographics

1. In response to the recommendation made at the Executive Committee meeting of 14 December 1981, and approved by you, a group of expert micrographics personnel from the three concerned directorates have studied the consolidation issue. The group reviewed the studies regarding micrographics which have been done in the past. Previously expressed concerns involving compartmentation by the Directorate of Operations and responsiveness by the Directorate of Intelligence were revalidated. As in previous studies, the majority of group members generally believed that any potential savings which might result from consolidation would be counterbalanced by the degradation in compartmentation and service.

2. Beyond the negative conclusions in previous studies, the group acknowledged that the introduction of the Automated Data Storage and Retrieval system (ADSTAR) in both the Directorates of Intelligence and Operations makes consolidation of micrographics less feasible than in the past. Given this factor, and the judgment that the substantial investment of time and effort expended in consolidation would outweigh any savings that might be realized, the group of micrographics experts has concluded that the consolidation proposed would not be an effective option to be pursued at this time.

3. I support the conclusion of the study group and therefore recommend against consolidation at this time.

ILLEGIB

Harry E. Fitzwater

Attachment:
Minutes of 14 December EXCOM Meeting

SUBJECT: Study Concerning Consolidation of Micrographics
(Conclusion that consolidation proposed would not be an
effective option to be pursued at this time.)

CONCUR:

_____   _____
Executive Director   Date

APPROVAL:

                                          9 MAR 1982
    /s/ B. R. Inman

_____   _____
Deputy Director of Central Intelligence   Date

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TRANSMITTAL SLIP

DATE

TO:

C/RMD

ROOM NO.	BUILDING

REMARKS:

Your copy.

FROM:

ROOM NO.	BUILDING	EXTENSION

(47)

21 December 1981

MEMORANDUM FOR: William N. Hart
                    Chairman, DDA CORE Working Group

THROUGH: Director of Logistics

STAT

FROM:

DDA Core Working Group Member

SUBJECT: Follow-up Action on Agency Cost Reduction and
                    Efficiency (CORE) Briefing for the Executive
                    Committee (EXCOM)

REFERENCE: Memorandum for the Record, dated 21 December
                    1981, Subject: Cost Reduction and Efficiency
                    (CORE) Briefing for the Executive Committee
                    (EXCOM)

Bill:

    Attached is the referent memorandum for the record on the
subject briefing. I have listed below follow-up actions which I
believe should be taken and have provided space for your comments
and/or approvals.

1.   Regarding <u>Acceleration of the Secure Voice Program</u>, the
      DDCI (used here to include EXCOM) disapproved the action
      but asked that priority be given to the improvement of
      secure voice communications between and within other
      Intelligence Community agencies. I have discussed this

STAT   with   and there is little we can do since the
      Office of Communications is responsible for such com-
      munications within our own Agency only. If you would
      like; however, I can forward a memorandum through the
      Comptroller to the Deputy for Resource Management to
      pass along the DDCI's desires. As another approach, you
      may wish to ask the Comptroller himself to do so. Which
      approach do you prefer?

2. & 3.   Regarding the <u>Shift from External to Internal
          TEMPEST Testing and New Printing Equipment</u>, EXCOM
          supported these programs subject to the
          availability of funding which I presume means sub-
          ject to Comptroller's willingness to reprogram
          funds. You may wish to discuss this directly with
          the Comptroller, or, if you prefer, I will write to
          him to ask for his decision.

SUBJECT: Follow-up Action on Agency Cost Reduction and
           Efficiency (CORE) Briefing for the Executive Committee
           (EXCOM)

4.   Concerning Consolidation of Micrographics, he asked that
     this be studied further, and if you have no objection, I
     will prepare a memorandum to the Deputy Director for
     Operations and the Director, National Foreign Assessment
     Center requesting that a study group be established
     under OL chairmanship (probably [   ] of P&PD) for   STAT
     subsequent reporting to EXCOM.

5.   Concerning Condolidation of Genigraphics and Dicomedia,
     the DDCI supported further study, and I would suggest
     that a memorandum to the Director of the National
     Foreign Assessment Center on this subject be prepared
     for you by us.

6.   The Increased Use of Suggestion Awards item was
     approved, and the DDCI indicated that the Comptroller
     should find money for this purpose. I have to assume
     that he will do so.

7.   Regarding Increased Use of Sea Shipments, the Office of
     Logistics will initiate follow-up action on this and
     will include it in our long-range objectives for moni-
     toring at the DDA level.

8.   Concerning the "Blue Blazer" Protective Force, the DDCI
     asked that this item be held pending the results of an
     IG audit of the Office of Security.

2

SUBJECT: Follow-up Action on Agency Cost Reduction and Efficiency (CORE) Briefing for the Executive Committee (EXCOM)

9. Finally, on Adoption of Commuted Rate Travel for Domestic and Overseas TDY, I have discussed this with _____ Deputy Director of Finance, and he has agreed to include this in his strategic planning package for monitoring by the DDA.

STAT

STAT

Attachment

cc: Each DDA CORE Working Group Member, w/att

3

21 December 1981

MEMORANDUM FOR THE RECORD

SUBJECT: Cost Reduction and Efficiency (CORE) Briefing for the
           Executive Committee (EXCOM)

STAT

1.   On 14 December 1981, the CORE Working Group briefed
EXCOM on the nine recommendations shown on the attached chart.
Following introductory comments by Messrs. Lipton and Fitzwater
and a more detailed briefing [   ] Admiral Inman, who
chaired the EXCOM meeting, solicited comments from each of the
members.   These were as follows:

   Mr. Stein (Deputy Director for Operations) believes that
too much money is involved in implementing Recommendations 1
and 3.   He was also concerned about inadequate
compartmentation of IMS (Information Management Staff, DDO)
data if the micrographics shops were consolidated.

   Mr. Gates (Director, Office of Policy and Planning) also
suggested that too much money was involved in Recommendations
1 and 3.

   Mr. Briggs (Inspector General) commented that
micrographics studies had gone back even further than Mr.
STAT   [   ] had indicated and that he thought the Information
Handling Systems Architect should take a look at this as part
STAT   of his responsibilities.   [   ] indicated that the
Architect had started to look at micrographics but had
decided to cease when the CORE Group was formed pending the
outcome of that study.)   He also stated that there were
issues involved in the use of Blue Blazers other than those
mentioned by Mr. King and that they were being addressed
privately in an Inspector General report on the Office of
Security.

   Mr. Taylor (Associate Deputy Director for Science and
Technology) commented that he could not see "how we could
afford to save this amount of money," (i.e., it would cost
too much).

   Mr. Lipton (Comptroller) indicated that he did not think
that we could afford Recommendation 1 on secure voice, but
that we should try to do Recommendation 3 on Capital Printing
Equipment so that the four slots freed up could be used to
meet the Office of Communications TEMPEST requirements.

SUBJECT: Cost Reduction and Efficiency (CORE) Briefing for the Executive Committee (EXCOM)

Mr. Hineman (Deputy Director, National Foreign Assessment Center) also expressed concern about the price and said that he was very much against the consolidation of micrographics because of the loss of control of a key resource and because he did not think that consolidation would provide better service to the Agency. He further indicated that the NFAC micrographics system (presumably ADSTAR) would handle all phases of micrographics production, storage, and retrieval, and that production alone could not be separated from the rest of the process. ⬚ indicated that he had been advised that it could in fact be separated.)

STAT

Regarding Genigraphics and Dicomedia Consolidation, he said terminals could be made available to others, but in this area also, he did not wish to lose control.

Mr. Fitzwater (Deputy Director for Administration) suggested that we should go ahead with all of the recommendations.

2. Preliminary to making a final decision, Admiral Inman made the following observations:

o   He said that he was not surprised that more recommendations were not made after 10 years of "drawing down" by the Agency.

o   He was concerned that our planning was not more forward looking in terms of future savings particularly with respect to the budgetary process, and he said that a CORE-type of effort could be undertaken for FY-84 as an input to the budgetary process of the Agency. His actual words were that "CORE should be revitalized for that purpose."

o   He stated that he did not favor major reprogramming as was being suggested by the CORE Group but rather preferred to have long-range decisions made earlier as part of the budgetary process.

o   Finally, he indicated that as a matter of principle, he was a supporter of "common user" resources such as micrographics and believed that they could be made to work.

Admiral Inman's final decisions on each of the recommendations (keyed to the attachment) were as follows:

2

SUBJECT: Cost Reduction and Efficiency (CORE) Briefing for the
Executive Committee (EXCOM)

1. Acceleration of Secure Voice Program: No, because of
cost, however, as part of the FY-83 budget submission, he
wants to see the improvement of secure voice services
between Government Agencies as the number 1 priority.
(During [   ] comments earlier, Admiral Inman had   STAT
interjected that he was far more concerned about giving
priority to secure voice between agencies than within
the Agency itself and cited his own difficulty in trying
to contact other agencies.)

2. & 3. Shift from External to Internal TEMPEST Testing and
New Printing Equipment:

He saw these items as being related and suggested that
they both go ahead, subject to available funding.
(Presumably, by this, he meant he was deferring to the
Comptroller for a funding decision.)

4. Consolidation of Micrographics: He asked that the CORE
Group study this further and when subsequently asked if
it should be studied by the Information Handling
Systems Architect, he said, no, but that it should be
coordinated with the Architect.

5. Condolidation of Genigraphics and Dicomedia: He agreed
to proceed with a study on this subject.

6. Increased Use of Suggestion Awards: He asked the
Comptroller to find money for this purpose and to
proceed.

7. Increased Use of Sea Shipments: He said that he would
like to see more advance study in this area and while he
agreed to take it out of the CORE study, he wanted the
Office of Logitics to work with the DDO and the DDS&T to
see what could be done.

8. "Blue Blazer" Protective Force: He said that he would
like to hold on this item pending the results of the
audit of the Office of Security.

3

SUBJECT: Cost Reduction and Efficiency (CORE) Briefing for the
           Executive Committee (EXCOM)

9.   Adopt Commuted Rate Travel for Domestic and Overseas
     TDY: He agreed with the application of commuted rate
     travel to domestic PCS and agreed to study its
     application to domestic and foreign TDY.

STAT

                        DDA CORE Working Group Member

Attachment

Distribution:
  1 - Each DDA CORE Working Group Member, w/att
  1 - EXCOM Staff [   ], w/att   STAT

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21 December 1981

MEMORANDUM FOR: Executive Committee Members

FROM: Robert M. Gates
Director, DCI/DDCI Executive Staff

COPY FOR YOUR INFORMATION

SUBJECT: Minutes of the 14 December 1981 Executive Committee
Meeting: CORE Recomendations

1. The Executive Committee met on 14 December 1981 to review nine recommendations of the Agency's Cost Reduction and Efficiency (CORE) Committee. Admiral Inman chaired the session; participants included Messrs. Fitzwater (DDA), Stein (DDO), Hineman (DD/NFAC), Taylor (ADDS&T), Lipton (Comptroller), Briggs (IG), Sporkin (GC), Gates (D/OPP), and several DDA representatives. [   ]   25X1

STAT   2. Mr. Lipton reviewed the background of the CORE exercise. [   ] (DD/OL) then amplified the nine recommendations (see attachment). In response to a DDCI question, [   ] (OC) said that accelerating the secure voice   STAT
program (Recommendation 1) would not improve secure communications with other intelligence community components. Admiral Inman noted that he considered such improvement his first priority in this area. The DDCI also asked for
STAT   clarification of Recommendation 9 on commuted rate travel for TDYs. [   ] explained this might result in spending more on travel but could save accounting costs. Admiral Inman then requested members' views on the recommendations.
[   ]   25X1

3. Mr. Stein opposed consolidating micrographics (Recommendation 4) on security grounds. He noted the need to ensure that employees were not hurt financially if commuted rate travel were adopted. He also questioned where the funds required to implement the recommendations could be obtained given the number of priority unfunded requirements. Mr. Gates expressed similar concerns, deferring to the Deputy Directors who would have to absorb the costs. Mr. Briggs alluded to the long history of the concept of consolidating micrographics and said that he thought it could be done. He also noted that the Information Handling Systems Architect (IHSA) should be kept informed of developments in this area. Regarding the "Blue Blazer" Protective Force (Recommendation 8), Mr. Briggs observed that a recent inspection of the Office of Security surfaced more than just cost problems with the security guard force. [   ]   25X1

4. Mr. Lipton opined that the Agency could not afford to accelerate the secure voice program at this time. He favored procuring the new printing equipment (Recommendation 3) if possible, which might free up slots to shift to internal TEMPEST testing (Recommendation 2). He endorsed the remaining recommendations. Mr. Hineman explained that NFAC opposed consolidating micrographics because the $8 million-ADSTAR system was about to become operational. He also noted that NFAC needed to control its genigraphic equipment (Recommendation 5), which supports intelligence production. He, Mr. Taylor, and Mr. Fitzwater echoed earlier remarks on the stringent budget picture. Mr. Fitzwater also said that he endorsed the recommendations presented, but did not think they represented a strong response to the DCI's charge. [   ]   25X1

25X1

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7

5. Admiral Inman noted that he was not surprised at the results, given the drawdown in Agency resources over the last 10 years. Under the circumstances, he concluded that the committee had done well. He suggested that the Comptroller continue the CORE effort as the Agency begins to build its FY-1984 program, looking for areas where substantial investments might free financial and human resources in the out years. As general guidance, he requested members to avoid relying on reprogramming to solve future resource problems and called instead for more long-term planning and discipline. He also noted his belief that common user services can and should work, and the security concerns of DDO in the micrographics case should be able to be accommodated in a consolidated arrangement.   25X1

6. The DDCI then reached the following decisions on the specific recommendations:

-- Recommendation 1 (secure voice) was not approved, and improving secure communications with outside agencies is to be considered a priority.

-- Recommendations 2 and 3 were approved, subject to the availability of funds.

-- The CORE is to take another look at Recommendation 4 to determine how micrographics could be consolidated and accommodate NFAC and DDO concerns. CORE should touch base with the IHSA in doing so and report its findings by 15 March.

-- Recommendations 5, 6 and 9 were approved.

-- DDA is expected to implement Recommendation 7 when it can by using advanced planning.

-- A decision on Recommendation 8 will be postponed, pending DDCI review of the Inspection Report on the Office of Security.   25X1

7. The meeting was then adjourned.   25X1

                                                                              25X1

Robert M. Gates

Attachment:
  CORE Recommendations

2

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EXCOM 81-9056

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